

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7954

BILL NUMBER: HB 1715

DATE PREPARED: Jan 8, 2001

BILL AMENDED:

SUBJECT: Lottery Funds for the Indiana Heritage Trust.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that \$15,000,000 of surplus Lottery funds shall be transferred annually to the Indiana Heritage Trust Fund.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill provides that there shall be a transfer of \$3.75 M in January, April, July, and October (for a total of \$15 M per year) of surplus Lottery funds to the Indiana Heritage Trust Fund.

Background: The purpose of the Indiana Heritage Trust Program is to acquire real property or interests in real property that:

- (1) is an example of outstanding natural features and habitats;
- (2) has historical and archeological significance; and
- (3) provides areas for conservation, recreation, and the restoration of native biological diversity.

The Indiana Heritage Trust Program is to acquire real property for new and existing state parks, state forests, nature preserves, fish and wildlife areas, wetlands, trails, and river corridors.

Under the current statute, surplus Lottery revenue is first transferred to the Teachers' Retirement Fund (TRF) and the Pension Relief Fund (PRF). Once these transfers are made, surplus Lottery revenue is then distributed to the Lottery and Gaming Surplus Account (LGSA) within the Build Indiana Fund. The table below shows actual and projected Lottery revenue for FY 2000 to FY 2003 and the required statutory distributions.

Surplus Lottery and Gaming Revenue & Distributions (Millions)

Revenues & Distributions	FY 2000 (Actual)	FY 2001 (Projected)	FY 2002 (Projected)	FY 2003 (Projected)
Surplus Lottery Revenue	\$173.3	\$167.0	\$167.0	\$167.0
TRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
PRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
Surplus Lottery Revenue to the LGSA	\$113.3	\$107.0	\$107.0	\$107.0
Surplus Gaming Revenue to the LGSA	\$252.5	\$256.6	\$256.6	\$256.6
Interest	\$18.1	\$14.0	\$14.0	\$14.0
Total Revenue to LGSA	383.9	377.6	377.6	377.6
MVETRA Transfer	(\$219.8)	(\$234.7)	(\$236.2)	(\$236.2)
SLCPA Transfer	(\$164.1)	(\$142.9)	(\$141.4)	(\$141.4)

The LGSA also receives surplus gaming revenues (revenues from the Riverboat Wagering Tax, the Parimutuel Wagering Tax, and the Charity Gaming Excise Tax). A statutorily determined amount of revenue in the LGSA is transferred each year to the Motor Vehicle Excise Tax Replacement Account (MVETRA) within the state General Fund. (Beginning with FY 2002 and continuing each year thereafter, this amount is equal to approximately \$236.2 M.) The remaining money in the LGSA is then transferred to the State and Local Capital Projects Account (SLCPA).

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources: State Budget Agency.